

FAX TRANSMITTAL**DOGM
MINERALS PROGRAM
FILE COPY****STATE OF UTAH
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY****Location Address:**
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Salt Lake City, Utah 84116**Reply to Address:**
Division of Water Quality
Department of Environmental Quality
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Salt Lake City, Utah 84114-4870**Confirmation #:** (801) 538-6146**FAX #:** (801) 538-6016**TO:** Wayne Hedberg **FAX #:** 359-3940
AGENCY/FIRM: DOGM
PHONE #: 538-5340**NUMBER OF PAGES TO FOLLOW:** 7**SUBJECT:** _____

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DOGMI
MINERALS PROGRAM
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BEFORE THE UTAH WATER QUALITY BOARD

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In the Matter of:

: STIPULATION AND CONSENT AGREEMENT

Hecla Mining Company

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Docket No. UGW92-04

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This STIPULATION AND CONSENT AGREEMENT (hereinafter "AGREEMENT") is entered into by the Utah Water Quality Board (the "Board") representing the State of Utah (the "State") pursuant to the Utah Water Quality Act (the "Act"); Section 19-5-101 et seq., Utah Code Annotated, 1953 as amended, and Hecla Mining Company ("Hecla"), for the purpose of addressing ground water quality issues regarding the Escalante Unit operations in Iron County, Utah.

STIPULATION

1. The parties agree that the Board has jurisdiction over this matter.
2. Hecla Mining Company (herein after Hecla), is a Delaware corporation, licensed to operate in Utah.
3. As a result of a merger with Ranchers Exploration and Development Corporation (Redco Silver) in 1984, Hecla became the owner and operator of the Escalante Unit which is located about ten miles west of Newcastle, Iron County, Utah.
4. A construction permit was issued August 20, 1980 by the Utah Bureau of Water Pollution Control, Division of Environmental Health, for the tailings facility. The facility was designed for zero discharge.
5. Silver ore from the Escalante Mine was processed with cyanide solutions at a mill located at the site. Fine tailings from the mill were discharged to a 58-acre tailings impoundment from 1981 to August 1990. All operations ceased in 1990, and Hecla now desires to reclaim the site, as described in Hecla's Reclamation Plan submitted to the Utah Division of Oil, Gas and Mining dated November 19, 1990 and revised January 2, 1992.
6. The tailings facility is situated on public land administered by the United States Department of the Interior, Bureau of Land Management.
7. The site is defined as an existing facility under the Ground Water Quality Protection Regulation UAC R317-6-1.12. The Executive Secretary of the Water Quality Board, as provided in UAC R317-6-6.1.B, requested a ground water permit for the site January 31, 1991, after review of Hecla's Reclamation Plan which outlined Hecla's proposed design for closure of the impoundment. Hecla objects to the need for a permit.
8. The parties now desire to resolve this matter without further admissions or judicial proceedings except to the extent provided below by entering into this AGREEMENT. This AGREEMENT is in lieu of the requirements of a ground water discharge permit.
9. For the purpose of this AGREEMENT the parties agree and stipulate to the above stated facts. None of the stipulations related herein shall be considered admissions by any person related or unrelated to this AGREEMENT for purposes other than determining the basis of this AGREEMENT.

AGREEMENT

1. To protect and preserve the existing ground water quality in the area of the Hecla facility against potential contamination, Hecla and the Board have entered into this AGREEMENT which stipulates that the parties will fulfill the obligations outlined below. This AGREEMENT is in lieu of the requirements for a ground water discharge permit.
2. Hecla shall submit, within 30 days of the effective date of this AGREEMENT, a detailed ground water monitoring and sampling plan. This plan shall include the following items.
 - a. A description of the existing monitoring well network that may be used as compliance points for this AGREEMENT. The description shall include surveyed well locations and available well logs.
 - b. A quarterly monitoring and reporting schedule which describes the monitoring to be conducted with due dates for submission of monitoring reports 45 days after the end of the calendar quarter.
 - i. During the initial year of monitoring, sample collection for the newly drilled well shall be monthly and reported quarterly. The initial samples shall include the following parameters:
 - Specific Conductance
 - Sodium (Na)
 - Potassium (K)
 - Magnesium (Mg)
 - Sulfate (SO₄)
 - Calcium (Ca)
 - Bicarbonate (HCO₃)
 - Nitrate as N
 - Chloride (Cl)
 - Cyanide (Total)
 - Total Dissolved Solids (TDS)
 - Temperature
 - pH
 - Mercury
 - Zinc
 - Cadmium
 - Copper
 - Lead
 - Silver
 - ii. Sample collection shall be quarterly and reported quarterly for existing monitor wells. After 12 monthly samples have been collected from newly drilled monitor wells, the monitoring and reporting frequency shall be quarterly. The parameters to be analyzed for quarterly sampling are as follows:

Total Dissolved Solids (TDS)
Cyanide (Total)
Nitrate as N
pH

- iii. Water level data shall be collected each time a well is sampled and be included with the quarterly report.
 - iv. Latitude and Longitude of monitoring wells will be provided to the Executive Secretary within 90 days of the effective date of this agreement.
- c. All monitoring events including ground water level measurements, well purging, sampling, handling and analysis shall conform to the requirements of the RCRA Technical Enforcement Guidance Manual (1986).
- d. A listing of the proposed analysis methods, and detection limits for the above specified parameters. Analysis must be by a Utah State Certified laboratory.
- e. Cyanide (free) determinations will be conducted for any samples demonstrating detectable levels of Cyanide (total).
- f. Beginning January 1, 1997, the well monitoring and reporting schedule will be revised to annual frequencies unless determined otherwise for good cause, by the Executive Secretary.
3. Hecla shall submit within 60 days of the effective date of this AGREEMENT plans for drilling of one additional downgradient monitoring well. The new well shall be properly drilled, cased and completed, shall be capable of serving as a monitoring well, and must be located downgradient of the tailings facility. The new well shall be added to the monitoring plan described in Paragraph 2. Hecla shall submit the following information within 120 days of well completion.
- a. Geophysical and drillers logs of the new additional downgradient monitoring well and geophysical logs of the existing monitor wells are to be made. Logs to be considered are neutron, gamma, resistivity and SP curves.
 - b. Water level and aquifer parameter data from the new well are to be obtained with a drawdown and recovery test.
 - c. Water quality data from the new well. The parameters monitored for will be those in Paragraph in 2.b.i.
4. Hecla shall also submit, within 120 days of the date of well completion a proposal for calculating the ground water flow rate and time of contaminant travel, from the base of the pond clay liner of the tailings pond to the monitoring wells, including a complete description of modeling techniques and input parameters. Distance shall be calculated from the edge of the pond furthestest upgradient of either downgradient monitoring well.

5. Hecla shall submit within 120 days of well completion a hydrogeologic description and cross sections of the subsurface deposits below the tailings pond.
6. The Executive Secretary shall review the monitoring and sampling plans, the drilling plans, the calculated ground water flow rate, the maps, or revisions thereto, and notify Hecla of his approval or disapproval within 45 days of receipt from Hecla. In the event of any disapproval, the Executive Secretary shall specify the deficiencies in writing. Within 60 calendar days of receipt of written deficiencies, Hecla shall submit revised monitoring and sampling plans, calculations, and maps that address the specified deficiencies. Upon approval of the plans by the Executive Secretary, Hecla shall execute the monitoring and the drilling plan, sampling plan, or reconstruct maps or redo calculations in accordance with the methods and time frames specified therein.
7. The ground water monitoring and existing data will be used by the Executive Secretary to establish ground water classification, background concentrations and protection levels according to the provisions of the Ground Water Protection Regulations UAC R317-4. For the purpose of this AGREEMENT, "contamination of the aquifer" shall be defined as an exceedance of the established protection levels.
8. Hecla is required to monitor wells at the site for the monitoring period of 20 years from 1990, the year of closure. If at the conclusion of 20 years, contamination of the aquifer, as defined in paragraph 7, has not occurred, then paragraph 10 applies.
 - a. If contamination of the aquifer resulting from the tailings impoundment occurs at any time during the implementation of the required ground water monitoring plan, Hecla shall submit within 60 days of receipt of a written notice from the Executive Secretary a Remedial Action Schedule. This schedule shall address the actions Hecla will take to remediate the aquifer below and near their facility. This schedule shall include, as determined appropriate by the Executive Secretary, but is not limited to, a time table for the completion of the following items: 1) selection of consultant services; 2) the development of risk-based action concentrations; 3) a contamination investigation (plume delineation); 4) a corrective action study; and, 5) a corrective action plan. Upon approval of a Remedial Action Schedule, Hecla will be required to undertake the necessary actions to meet this schedule. During the execution of the Remedial Action Schedule the Executive Secretary may require the submittal and/or approval of the resultant reports, plans and specifications.
 - b. The Executive Secretary shall review the required submissions or revisions thereto, and notify Hecla of its approval or disapproval. In the event of any disapproval, the Executive Secretary shall specify the deficiencies in writing. Within 60 calendar days of receipt of written deficiencies, Hecla shall submit a revised report, plan or specification that addresses the specified deficiencies. If the deficiencies are minor or if the deficiencies cannot be remedied within the required 60 days, the Executive Secretary may revise, by written notice, the 60 day requirement to shorten or lengthen this period as appropriate.

9. Hecla shall pay the following stipulated penalties in the event that Hecla fails to meet the deadlines for each plan, report, deficiency response thereto:

Submission of Monitoring and Sampling Plan	\$100.00_____per day
Submission of Remedial Action Schedule	\$200.00_____per day
Submission of Monitoring Reports	\$ 25.00_____per day
Submission of Reports, Plans or Specifications Required in the Approved Remedial Action Schedule	\$200.00_____per day

Amounts payable under this provision will be paid to the State of Utah by check delivered to the Division of Water Quality, 288 North 1460 West, Salt Lake City, Utah 84114, within 30 days of notice from the Executive Secretary that a deadline has been exceeded.

Hecla may petition the Executive Secretary for extension of any deadline imposed by this AGREEMENT for reasonable cause prior to the deadline. The Executive Secretary shall evaluate the petition and either grant an extension or deny it. Hecla may appeal any denied extension to the Water Quality Board within ten days of receipt of denial. In the event of denial of a requested extension, the Board may impose or modify the penalties stipulated in this paragraph.

10. If at the conclusion of the approved monitoring period, contamination of the aquifer as defined in paragraphs 7 and 8 above has not occurred, then the AGREEMENT shall be considered complete and fulfilled, and Hecla will not be required to undertake or submit further monitoring or analytical results, and this AGREEMENT shall terminate.
11. Nothing in this AGREEMENT shall constitute or be construed as a waiver by the State of its right to initiate enforcement action, including civil penalties, against Hecla in the event of future noncompliance with the Utah Water Quality Act, nor shall the State be precluded in any way from taking appropriate action, to abate an imminent endangerment to public health or the environment should such a situation arise at Hecla's facilities. Nothing in this AGREEMENT shall constitute or be construed as a release from any claim, to include natural resource claims, cause of action, or demand in law or equity which the State and Hecla may have against each other or any person, firm, partnership, or corporate liability arising out of or relating in any way to the release of pollutants to waters of the State.
12. This AGREEMENT expressly contemplates submission of certain plans, proposals, data and reports by Hecla to the Executive Secretary for his review and approval. Where opportunity for review and approval is provided, Hecla shall not proceed with the proposed activity unless and until approvals have been received. If agreement by Hecla and the Executive Secretary cannot be reached regarding any plan, proposal or report under this AGREEMENT, or if Hecla disputes a determination by the Executive Secretary pursuant to Paragraphs 7 and 8 that contamination has resulted from the tailings impoundment, Hecla or the Executive Secretary may commence proceedings under the Utah Administrative Procedures Act and applicable regulations of the Board to resolve

the disputed plan, proposal or report. The Board's decision in any adjudicative proceeding shall constitute final agency action and be subject to judicial review under applicable state law.

13. Hecla's failure to meet or satisfy any requirements set out in this CONSENT AGREEMENT shall be excused for a reasonable time to the extent the failure is caused by events beyond Hecla's control, including without limitation acts of God, public enemy, unforeseen strikes or work stoppages, fire, explosion, flood, tornado, earthquake, lightning, riot, sabotage or war.

This CONSENT AGREEMENT shall become effective upon execution by Hecla and the Executive Secretary of the Utah Water Quality Board.

DATED this 5th day of February, 1993.

Hecla Mining Company

By: Michael B. White

Title: Vice President - General Counsel

Utah Water Quality Board

By: Don A. Ostler

Don A. Ostler, P.E.
Executive Secretary